

# PSC NEWS

## Missouri Public Service Commission

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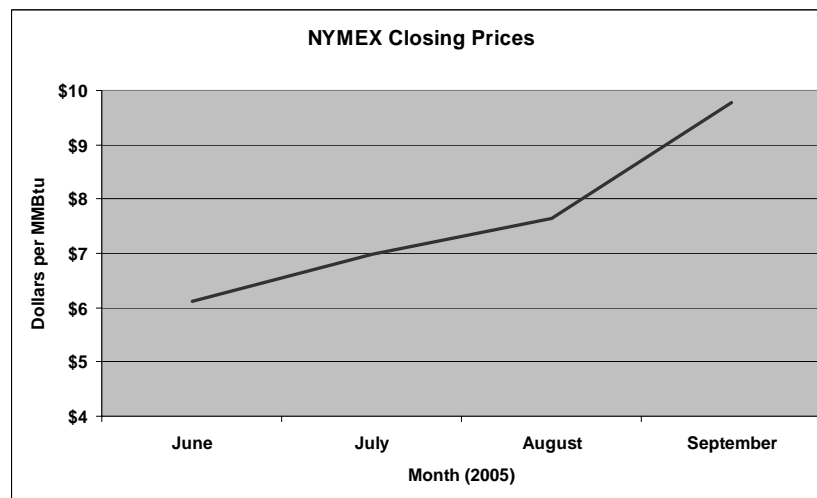
**AUGUST 26, 2005**

### **Current Natural Gas Trend Means Higher Bills This Winter** *Colder Than Normal Winter Weather Would Make Matters Worse*

JEFFERSON CITY—Natural gas market prices are higher than they have ever been for this time of the year and customers should be aware that these prices will have an impact on natural gas bills this winter.

“Over the summer, wholesale natural gas market prices have jumped significantly,” said PSC Chairman Jeff Davis. “September futures prices are currently over \$9.75 per 1,000 cubic feet of gas, an increase of over \$2.50 from early July. In addition, futures prices for December, January and February are currently over \$10.00. Higher natural gas bills are on the way even if we have a mild winter. It is very important that consumers act now to make their homes more energy efficient,” Davis said.

The graphic below illustrates how natural gas prices have trended up since earlier this summer:



High natural gas prices are the result of a number of factors including:

- A tight balance between supply and demand.
- Above average summer temperatures. The continued hot weather increased the demand for natural gas-fired generators to serve air-conditioning load.
- Increased summer demand for natural gas impacted injections into storage for gas that will be used this winter.
- High crude oil prices.
- Recent tropical storms.

(more)

The Missouri Public Service Commission does not control the price that wholesale suppliers charge local natural gas companies for natural gas. Those prices are determined in an open, competition-based market which reacts to many different issues including supply, demand and the weather. The Commission evaluates the natural gas purchasing practices of the local natural gas companies to ensure their purchasing decisions are sound.

Consumers should look for ways to reduce their energy usage by winterizing their homes:

- Place weather stripping around doors, use plastic film covering and caulk windows to keep energy from escaping from your home.
- Make sure there are no cracks around doors or windows.
- Keep fireplace vents closed when not in use.
- Have the furnace checked and tuned up if needed. Replace filters each month when dirty.
- Consider adding insulation in your attic.
- Contact the local utility company to see if you might be eligible for weatherization assistance.
- Ask the local natural gas company about the PSC's Cold Weather Rule.
- Consider placing an approved insulated cover-jacket around the water heater. Set the water heater temperature at 120 degrees.
- Consider contacting the utility company to ask about budget billing, which spreads energy costs over a 12-month period.
- Assess whether it is time to replace the furnace with a more efficient model.